

STOCK MARKET	ASIAN MARKETS	WORLD MARKETS	PESO-DOLLAR RATES	ASIAN MONIES-US\$ RATE	WORLD CURRENCIES	DUBAI CRUDE OIL
PSEI OPEN: 7,508.73 HIGH: 7,538.78 LOW: 7,427.44 CLOSE: 7,432.62 VOL.: 1,306 B VAL(P): 10,478 B 69.86 PTS. 0.93% 30 DAYS TO FEBRUARY 10, 2022	FEBRUARY 10, 2022 JAPAN (Nikkei 225) 27,696.08 ▲ 116.21 0.42 HONG KONG (Hang Seng) 24,924.35 ▲ 94.36 0.38 TAIWAN (Weighted) 18,338.05 ▲ 186.29 1.03 THAILAND (SET Index) 1,701.97 ▼ -1.19 -0.07 S. KOREA (KSE Composite) 2,771.93 ▲ 3.08 0.11 SINGAPORE (Straits Times) 3,423.77 ▲ 9.73 0.28 SYDNEY (All Ordinaries) 7,288.50 ▲ 20.20 0.28 MALAYSIA (KLC Composite) 1,570.10 ▲ 18.59 1.20	FEBRUARY 9, 2022 Dow Jones 35,768.06 ▲ 305.280 NASDAQ 14,490.37 ▲ 295.9180 S&P 500 4,587.180 ▲ 65.640 FTSE 100 7,643.42 ▲ 76.3500 Euro Stoxx50 3,785.45 ▲ 56.490	FX OPEN P51.300 HIGH P51.210 LOW P51.320 CLOSE P51.235 W.AVE. P51.267 VOL. \$937.40 M SOURCE: BAP 10.50 CTS 30 DAYS TO FEBRUARY 10, 2022	FEBRUARY 10, 2022 LATEST BID (0900GMT) JAPAN (YEN) 115.840 ▼ 115.420 HONG KONG (HK DOLLAR) 7.793 ▼ 7.794 TAIWAN (NT DOLLAR) 27.827 ▼ 27.827 THAILAND (BAHT) 32.640 ▼ 32.800 S. KOREA (WON) 1,195.340 ▼ 1,195.340 SINGAPORE (DOLLAR) 1.341 ▼ 1.343 INDONESIA (RUPIAH) 14,340 ▼ 14,355 MALAYSIA (RINGGIT) 4.182 ▼ 4.183	FEBRUARY 10, 2022 US\$/UK POUND 1.3559 ▼ 1.3562 US\$/EURO 1.1444 ▼ 1.1419 \$/AUSTRALIAN DOLLAR 0.7189 ▼ 0.7159 CANADA DOLLAR/US\$ 1.2667 ▼ 1.2694 SWISS FRANC/US\$ 0.9231 ▼ 0.9238	FUTURES PRICE ON NEAREST MONTHLY FIX FEE \$89.36/BBL 30 DAYS TO FEBRUARY 9, 2022 \$1.04

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PHILIPPINE STOCK EXCHANGE'S 10 MOST ACTIVE STOCKS BY VALUE TURNOVER • FEBRUARY 10, 2022 (PSEI snapshot on S1/4; article on S2/2)

GLO	P2,818,000	MONDE	P16,200	BPI	P101,000	ALI	P38,000	BDO	P138,000	EMP	P24,000	ACEN	P8,840	SPNEC	P2,020	SM	P940,000	SMPH	P36,700
Value	P833,072,280	Value	P672,448,014	Value	P595,748,106	Value	P517,726,455	Value	P511,943,934	Value	P430,933,715	Value	P383,274,247	Value	P375,648,250	Value	P375,060,105	Value	P363,509,000
	-P214,000 ▼ -7.058%		-P0.060 ▼ -0.369%		-P0.100 ▼ -0.099%		P0.150 ▲ 0.396%		P0.000 — 0.000%		P0.750 ▲ 3.226%		-P0.310 ▲ -3.388%		-P0.070 ▲ -3.349%		-P22,500 ▲ -2.338%		P0.450 ▲ 1.241%

Jobless rate inches up in December

THE PHILIPPINES' jobless rate rose month on month in December, as more Filipinos joined the workforce amid increased business activity and relaxed mobility curbs during the holidays.

For the full-year 2021, the unemployment rate — the share of the unemployed to the total labor force — eased to 7.8%. This was lower than the 10.4% in 2020 when strict lockdowns were implemented, but still lagged behind the pre-pandemic jobless rate.

National Statistician Claire Dennis S. Mapa said at a press briefing on Thursday this was equivalent to 3.7 million unemployed Filipinos, lower than the 4.5 million in 2020.

Citing preliminary data, he noted this was still higher compared with the 5.1% unemployment rate or about 2.26 million jobless Filipinos in 2019.

According to the preliminary estimates of the Philippine Statistics Authority's (PSA) latest Labor Force Survey (LFS) the December unemployment rate inched up to 6.6%, compared with 6.5% in November.

In absolute terms, the number of unemployed Filipinos increased by 113,000 to 3.272 million in December, from 3.159 million in November.

"However, this was more than offset by the larger increase in the labor force participation rate, which improved to 65.1% from 64.2%," the National Economic and Development Authority (NEDA) said in a statement.

This was the highest labor force participation rate since the monthly LFS began in 2021 and the 64.2% in April 2014, using the quarterly survey.

Around 910,000 Filipinos entered the labor force in December, bringing the total labor force size to 49.546 million.

Employed Filipinos rose month on month by 797,000 to 46.274 million in December. Employment rate stood at 93.4% that month, slightly lower than 93.5% seen in November.

"This brings net employment creation to 3.7 million above pre-pandemic levels," NEDA said.

JOB QUALITY IMPROVES

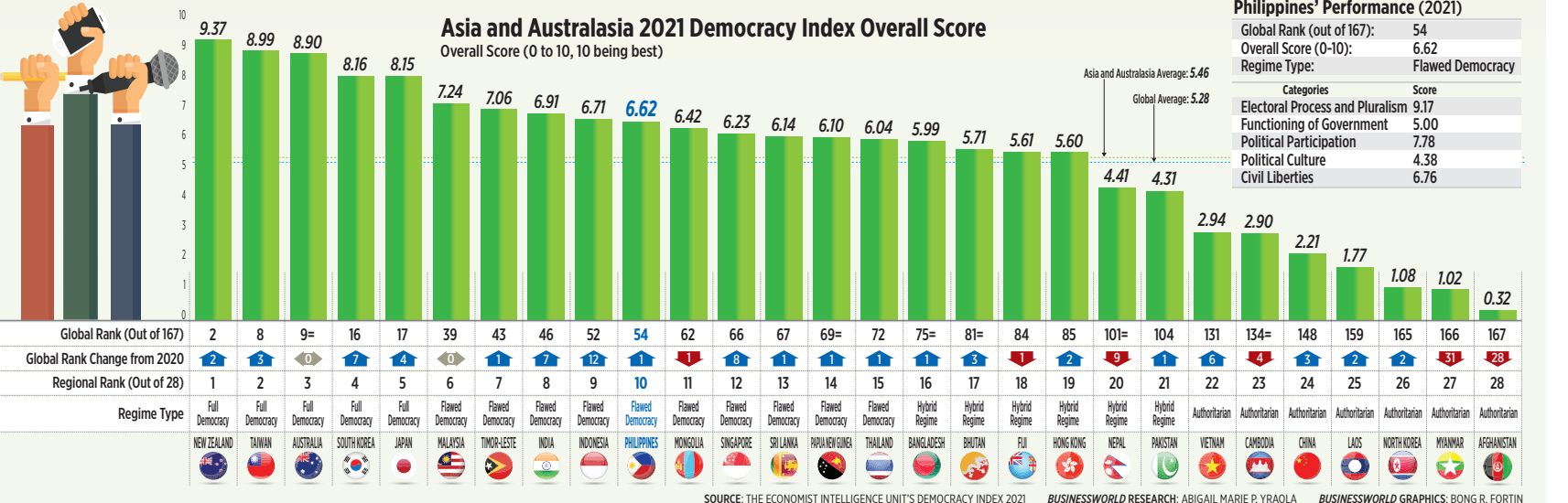
Meanwhile, the quality of available jobs likely improved as the underemployment rate fell to 14.7% in December from the four-month high of 16.7% in November. This translated to 6.811 million employed Filipinos looking for additional work or longer working hours, down by 806,000 from 7.617 million in November.

This brought the underemployment rate to 15.9% in 2021, an improvement from 16.4% in 2020 but higher still than the 13.8% in 2019.

Jobless, S1/2

PHILIPPINES CLIMBS BY A NOTCH IN DEMOCRACY RANKING IN 2021

The Economist Intelligence Unit's Democracy Index is based on the ratings for 60 indicators, which is grouped into five categories: electoral process and pluralism, functioning of government, political participation, political culture, and civil liberties. Each category has a rating on a 0 to 10 scale, with the overall index being the simple average of the five category indices. In its latest edition, the Philippines increases by a notch to 54th rank globally in 2021 with a score of 6.62 from 55th in 2020 (6.56).



Philippine democracy remains flawed amid pandemic

By Kyle Aristophere T. Atienza Reporter

THE PHILIPPINES jumped one spot to 54 out of 167 countries in a London-based think tank's democracy index last year, as the coronavirus pandemic resulted in an "unprecedented withdrawal" of civil liberties in both developed democracies and authoritarian regimes.

Based on the Economist Intelligence Unit (EIU) Democracy Index 2021, the Philippines under President Rodrigo R. Duterte received a score of 6.62, an improvement from 6.56 in 2020. The EIU classified the Philippines as a "flawed democracy," along with nine other countries in Asia.

The average regional score in Asia and Australasia dropped to 5.46 in 2021, from 5.62 in 2020, a second straight year of decline and the region's lowest score since 2006.

The Philippines lagged behind Southeast Asian neighbors Malaysia (39) Timor Leste (43), and Indonesia (52), but ahead of Singapore (66), Thailand (72), Vietnam (131), Cambodia (134), Laos (159), and Myanmar (166).

European countries dominated the "full democracy" classification, with Norway topping the global index with a score of

9.75, followed by New Zealand (9.37), Finland (9.27), Sweden (9.26), Iceland (9.18) and Denmark (9.09).

On the other hand, Afghanistan and Myanmar displaced North Korea at the bottom of the list.

The EIU said the pandemic has compounded many pre-pandemic threats to democracy, citing an increasingly technocratic approach to managing society in Western democracies and a tendency in many backward democracies and authoritarian regimes to resort to coercion.

Maria Ela L. Atienza, a political science professor at the University of the Philippines, said Philippine democracy has been weakened by "too much concentration of powers in the Executive branch" under the current administration.

"While not the only culprit, President Duterte and his administration have concentrated too much power in his office, threatening the rule of law and the independence of the Judiciary, relying too much on punitive measures and the powers of the military and the police, violating human rights and media freedom, and attacking those labeled as opposition," she said in a Viber message.

Ms. Atienza said the government relied heavily on a militarist approach for its pandemic response.

"The response has also put the blame largely on people who violate the laws but at the same time, those quickly rounded

up and punished are poor people who were affected heavily by the pandemic, community organizers and activists while rich people and administration allies who violate health protocols are given a lot of leeway," she said.

The political analyst said the next administration needs to ensure that government officials and agencies are "accountable to the people and can be checked by other branches and sectors."

DROP IN GLOBAL AVERAGE

The EIU said the global average score took a big hit for a second consecutive year, falling to 5.28 from 5.37 in 2020. This was the worst global score since the index first came out in 2006.

Less than half or 45.7% of the world's population now live in a democracy of some sort, a significant decline from 49.4% in 2020, according to the report.

It said only 6.4% of the world's population live in full democracies or countries that provide their citizens civil liberties and political freedoms as well as an effective government and political culture.

More than a third of the population live under authoritarian rule, many of them in China.

Democracy, S1/9

Nov. FDI inflows biggest in nearly 2 years

By Luz Wendy T. Noble Reporter

NET INFLOWS of foreign direct investments (FDIs) surged to a 23-month high in November, as the reopening of the global economy lifted investor sentiment.

Data released by the Bangko Sentral ng Pilipinas (BSP) on Thursday showed FDI net inflows in November surged by 96% to \$1.095 billion from \$559 million in the same month in 2020.

It also grew by 28% from the \$855 million in October.

FDI net inflows registered in November were the biggest since the \$1.362 billion logged in December 2019.

For the first 11 months of 2021, FDI inflows jumped by 52.5% to \$9.238 billion, already exceeding the BSP's \$8-billion end-2021 projection.

"The general reopening of the global economy is one major reason, and of course, the improved situation locally with lower COVID-19 (coronavirus disease 2019) cases in the fourth quarter of 2021 helped the rising numbers of FDI and its prospects," UnionBank of the Philippines, Inc. Chief Economist Ruben Carlo O. Asuncion said in a Viber message.

Investor sentiment was lifted by the government's shift to an alert level system with localized lockdowns, Rizal Commercial Banking Corp. Chief Economist Michael L. Ricafort said in a Viber message.

Metro Manila was placed under the more relaxed Alert Level 2 starting November, as COVID-19 infections showed a downtrend.

BSP data showed foreign investments in debt instruments surged by 109.3% year on year to \$896 million in November from \$428 million.

Reinvestment of earnings rose by 25.2% to \$81 million during the month from \$64 million in November 2020.

Investments in equity and investment fund shares also expanded by 52.4% year on year to \$199 million in November from \$131 million in the same month in 2020.

FDIs in equity capital also climbed by 78.8% year on year to \$118 million from \$66 million. This, as placements increased by 37.9% to \$132 million, while withdrawals dropped by 52.8% to \$14 million.

Mr. Asuncion said FDI prospects may be improved in the next few months as more countries contain the Omicron surge.

"I think that FDI trend will continue to improve with the Omicron

surge hopefully in the rearview mirror. However, as most health and epidemiology experts say, it is too early to celebrate and that we need to approach the move forward with cautious optimism," Mr. Asuncion said.

He said that while the impending monetary policy tightening in the United States will likely be more of an issue to "hot money" than FDIs, long-term investors will be monitoring the country's leadership change. The national elections will be held on May 9.

"Real FDI and long-term investments of capital, equipment and hard assets, I believe, will continue to grow as long as continued structural reforms are carried out and pushed by a government with good governance practices in place," Mr. Asuncion said.

Meanwhile, Mr. Ricafort said the passage of key legislation like the amendments to the Public Service Act (PSA) could also attract more FDIs in the coming months.

The Congress last week has ratified the bill amending the PSA, which will now allow 100% foreign ownership in industries like telecommunications, airlines and railways.

For 2022, the BSP projects FDI will reach \$8.5 billion.

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PHL needs to spend better, collect more taxes — World Bank

By Jenina P. Ibañez Senior Reporter

THE PHILIPPINE government needs to roll out a fiscal consolidation plan based on the right mix of expanded taxation and productive spending to manage debt racked up during the pandemic, a World Bank economist said.

"To regain policy space, the government will need to start a gradual, fiscal consolidation process," World Bank Senior Economist Rong Qian said at a Management Association of the Philippines briefing on Thursday.

"We know from past experience of rapid debt accumulation, countries will need to use a combination of revenue and expenditure measures to reduce the debt-to-GDP ratio. Relying on growth alone will not be enough."

The Philippine government ramped up borrowings to finance its coronavirus pandemic response in the past two years. The government recorded P11.73 trillion in outstanding debt as of end-2021, growing by 19.7% year on year, preliminary data from the Treasury showed.

This meant the debt-to-GDP ratio is now at 60.5%, higher than the 54.6% a year earlier and slightly above the 60% threshold considered as manageable by multilateral lenders for developing economies. It is also the highest debt-to-GDP ratio since the 65.7% seen in 2005.

Ms. Qian said the pace of fiscal consolidation needs to be studied.

Taxes, S1/9